

# STRATEGY

A S P I

## Expanding alliance ANZUS cooperation and Asia-Pacific security



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**Cover image:** Australian Defence Force personnel, US Marines and members of the local community assembled at RAAF Base Darwin for an address by the US President, Barack Obama, 17 November 2011. Photo courtesy Department of Defence. © Commonwealth of Australia.



# Expanding alliance

ANZUS cooperation and Asia-Pacific security



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Australian Prime Minister Tony Abbott (L) officially welcomes US President Barack Obama to the G20 Leaders' Summit, 15 November 2014. © AFP PHOTO/Peter PARKS via AAP.

# CHAPTER 1

## Introduction

**Andrew Davies and Peter Jennings**

Nearing a sprightly 65 years of age, the alliance between Australia and the US, underpinned by the formal ANZUS Treaty of 1951, continues to be a central part of Australian defence and security thinking and an instrument of American policy in the Asia-Pacific. But Asia's strategic outlook has changed almost unrecognisably from the 1950s to today. Economic and financial systems, the sources of global wealth and power, military and communications technology and even the political structures of Asia-Pacific countries have all transformed dramatically since the end of World War II.

How is it that an alliance conceived as a bulwark against a resurgence of Japanese militarism and which cut its military and intelligence teeth in the Cold War is still relevant to today's strategic concerns? The answer is partly—and importantly—that the core values of the ANZUS members are strongly aligned, and successive Australian governments and American presidential administrations have seen great value in working with like-minded partners to ensure Asia-Pacific security. That's seen ANZUS adapt to strategic change several times during its existence. Far from becoming a historical curiosity, today it's not just relevant, but of greater importance than has been the case in the past few decades. Everything old is new again in the 'Asian century'.

### ANZUS 1951–2014

In the desperate days of 1942, at the height of Japan's expansion into the Pacific and Southeast Asia and its push towards India, Australia's geography made it a vital component of the Allied warfighting strategy. Flanking both the Indian and Pacific oceans, the continent provided a vital mounting point for American forces. The sea lines of communication across the Pacific were a lifeline for Australia, as well as allowing the build-up of forces required to push back into occupied territories to the north. After the war, a nervous Australia and New Zealand, wary of the possibility of a resurgent Japan and with the lessons of post-Versailles Germany in mind, sought a security guarantee from the US.

But by the time the ANZUS Treaty was signed in 1951, the world was settling into the Cold War, and the relationship between the parties took on a nature that reflected the times. Japan wouldn't become a future enemy, but one of several 'spokes' attached to the American 'hub' in the San Francisco system. As befitted a strategic competition based in no small way on the strengths of intelligence and counterintelligence, the 'Five Eyes' intelligence relationship became a core part of alliance cooperation. And while the Cold War between the major powers never turned hot, a series of related and proxy conflicts saw the three ANZUS partners fighting together in major conflicts in Korea and Vietnam.



Arguably, the post-Vietnam period saw the alliance wane in importance. The intelligence cooperation continued apace, but the 1969 ‘Guam Doctrine’ sent a clear message that America’s partners had to look after their own local security, while the US would continue to provide a nuclear umbrella and pledged to uphold treaty obligations. As a proportion of its national wealth, Australia’s defence spending fell off steadily throughout the period from 1972 to 2000, especially after the end of the Cold War. This reflected the relatively benign local security environment and modest post-Guam aspirations. As a result, the difference in capability between Australia’s and America’s armed forces widened. New Zealand followed a similar trajectory, exacerbated in its case by the falling-out with the US in the 1980s, which led to the US suspending its treaty obligations to the Kiwis.

ANZUS remained an important part of Australia’s security posture throughout the period. Indeed, the alliance relationship played a valuable (if often underestimated) role in the peaceful resolution of the East Timor crisis in 1999. And the intelligence relationship continued to give Australia access to the worldwide collection and analytic capabilities of the partnership. Nonetheless, the alliance was more ‘business as usual’ until the early 2000s.

Two events in the first decade of this century have propelled ANZUS back into the mainstream of security policy development. The first and most dramatic was the 9/11 attacks, after which Prime Minister Howard formally invoked the ANZUS Treaty for the first time. Consistent with Article IV, Australia and the US acted to meet the common danger posed by al-Qaeda. Less dramatic, but potentially more significant in the long run, is the shift in emphasis in American policy towards Asia under its ‘pivot’ or ‘rebalance’.

## ANZUS today

This was reinforced at the August 2014 Australia–US Ministerial (AUSMIN) Meeting, where a new legally binding agreement on force posture cooperation was signed to support US Marine Corps and Air Force activities in northern Australia. The same meeting endorsed closer cooperation on ballistic missile defence, industry collaboration, science and technology research, defence exercises and space cooperation. The alliance was lauded by the Australian foreign and defence ministers and the US secretaries of state and defence as providing new ways to ‘partner with other countries in the region’. The role of ANZUS as a vehicle for engaging Asia–Pacific countries, and ASEAN states in particular, is a new aspect of alliance cooperation.

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The alliance receives strong bipartisan support from Australia’s major political parties. Only a small number of minor party members or independents in the Australian Parliament express outright opposition to it. It was a Labor government under Julia Gillard that promoted so-called enhanced force posture cooperation with the US military in northern Australia in November 2011. Labor’s 2013 Defence White Paper said that ‘Australia’s Alliance with the US is our most important defence relationship and is recognised in Australia’s *National Security Strategy* as a pillar of Australia’s strategic and security arrangements.’<sup>1</sup> Opinion polls show high levels of Australian popular support for the relationship. A longstanding opinion survey conducted by the Australian National University found that 81% of those surveyed in May 2014 thought that ANZUS was ‘very important’ or fairly important for Australia’s security.<sup>2</sup>



While the alliance looms larger in Australian political life than it does in the US, there's no doubting American political support for the relationship. President Barack Obama told the Australian Parliament in November 2011: 'As it has been to our past, our alliance continues to be indispensable to our future.'<sup>3</sup>

## This report

To explore new ideas on how to strengthen the US–Australia alliance, ASPI conducted a high-level strategic dialogue in Honolulu in July this year. The 'Honolulu dialogue' brought together a group of distinguished policymakers, military officials and academics from both countries with deep expertise in the alliance relationship. (A list of dialogue participants is in the appendix to this report.)

The aim of the dialogue was to elicit lateral thinking about the alliance at a time when strategic, economic and political circumstances bring fresh challenges to bilateral cooperation. Discussions canvassed the future strategic environment; the forthcoming Australian Defence White Paper; budget, sovereignty and expectation risks; and cooperation in the maritime, land, air, cyber, space and intelligence domains.

A key purpose of the Honolulu dialogue was to help ASPI develop policy recommendations on the alliance relationship for government. This report is the product of those discussions, although the opinions expressed here are those of the authors alone and ASPI takes full responsibility for all content.

We thank all dialogue participants for their candour and insight; we hope that they and other readers find what follows useful.

# CHAPTER 2

## The maritime domain

### Benjamin Schreer

Because of strategic shifts in the Western Pacific, it's important for Australia and its US ally to increase cooperation in the maritime domain. Presumably, the US alliance will face a much more complex and demanding operational environment. While certainly having a land component, the US 'rebalance' towards the Asia-Pacific region is overwhelmingly focused on the 'air-maritime' space. That's evident in emerging US military operational concepts such as 'AirSea Battle' and the fact that the naval dimension of the US rebalance (such as the number of forward-deployed nuclear attack submarines) attracts the bulk of attention in allied countries, including Australia. History tells us that fighting a major land war in Asia isn't a good idea. It's unlikely that the US and its allies will again become engaged in major ground operations on the continent, except perhaps on the Korean Peninsula.

In a more contested Asia-Pacific environment, Australia becomes more important as a relatively small but capable US ally and because of its geostrategic location close to the intersection between the Indian Ocean and maritime Southeast Asia. The Southeast Asian region is becoming more volatile because of unresolved territorial disputes, China's claims in the 'nine-dash line', and the People's Liberation Army's introduction of advanced surface and subsurface anti-ship weaponry. Other regional players could follow that road over time. It's reasonable to expect growing US expectations of its Australian ally in the maritime domain.

The RAN will acquire larger and more capable surface combatants, amphibious vessels, submarines, patrol boats, minehunters and heavy landing craft. This includes two 27,000-tonne Canberra-class landing helicopter dock (LHD) amphibious vessels, three Hobart-class air warfare destroyers (AWDs), the replacement for the Collins-class diesel-electric submarines and larger, more capable frigates. The Abbott government is also considering whether to acquire short take-off, vertical landing fighter aircraft (the F-35B variant of the Joint Strike Fighter) for operations from modified LHDs, although it's not clear whether that would be a cost-effective alliance contribution.<sup>4</sup> In any case, the future Navy will have bigger platforms with more firepower, able to operate over longer distances and in higher risk environments. As well, the RAAF's acquisitions of eight P-8 maritime patrol aircraft and up to seven Triton unmanned aircraft systems will provide additional opportunities for maritime collaboration.

That's why Australia's 2015 Defence White Paper should identify areas for enhanced alliance cooperation, including in the maritime space.<sup>5</sup> Yet, while that should be fairly easy in some areas, other areas would require more careful consideration. Both sides should therefore consult at a high level on their mutual expectations about concepts and capabilities to guide that cooperation. Below are some areas to consider.

### Compatibility of strategy and interoperability of naval platforms

Navy's plans for larger surface combatants and next-generation submarines provide opportunities for the US and Australia to work even more closely together in a coalition context, including in high-risk environments. If the Anzac

frigate replacement will indeed be based on the hull of the Hobart-class AWD and equipped with some of the same weapons systems (such as the Mark 41 vertical launch system), the future frigates' (or light destroyers') firepower will be significantly enhanced. The AWD itself will also strengthen the Navy's high-end warfighting capability. In general, the current government seems willing to deploy the ADF in high-end air/naval operations beyond Australia's approaches.<sup>6</sup>

In a more contested maritime Asia, the ability to contribute to US coalition operations will become an even more important force structure determinant for the Navy. For instance, the future submarine will be developed with a view to being interoperable and will feature a US combat system. But more steps are needed to ensure commonality of strategy, concepts, platforms and systems. As the US Pacific Command moves to implement the Joint Operational Access Concept to enable power projection in contested air and maritime spaces—with AirSea Battle as one component—the allies need to clarify the role that the ADF is expected to play in those concepts and what the capability requirements would be. For example, should Australia's naval contributions focus primarily on an area up to the eastern Indian Ocean and the Indonesian archipelago? Will the broader Indian Ocean become more important for the US alliance and, if so, what's Australia's role there?

The RAN would also need to update its 2007 future maritime operating concept<sup>7</sup> with the US, given that the requirement to operate in contested anti-access/area-denial environments seemed some years off at that time. In other words, what's the Navy's version of the Joint Operational Access Concept and how will it be integrated with US thinking?

Finally, the debate on Australia's future naval contribution also needs to consider that the Navy's fleet will remain relatively small in numbers, despite the increases in range and firepower—perhaps one or two additional surface combatants at a time if persistence in the battlespace is required. Australia will thus continue to focus on providing niche contributions in an alliance context. This also requires careful thinking about which kind of naval capabilities would be useful and which wouldn't. For example, under which conditions would the capability to operate jump jets from an LHD make sense from a coalition perspective?

Beyond the level of strategy and operational concepts, Australia and the US should make interoperability and commonality of systems such as C4ISR (command, control, communications, computers, intelligence, surveillance and reconnaissance), electronic warfare and weapons an explicit criterion for naval force design to enable operations alongside each other or coordinated across different theatres of operations. That doesn't mean that Australia would have to buy only US-made equipment. For example, the Aegis-capable Norwegian Naval Strike Missile could be an option for the future frigate. The US appears to also be interested in the Norwegian missile. And Australia and Norway have started discussions on possible collaboration on the Joint Strike Missile as a standard weapon for the F-35A Joint Strike Fighter to be operated by both countries.<sup>8</sup> Other major new naval platforms, such as the AWDs, the LHDs, the future submarine and the future frigate, also won't be based on US designs, but their weapons and sensors, as well as their command, control and communications systems, should be compatible and interoperable with American systems. To facilitate this, the alliance could work towards establishing more formal bilateral governance structures to coordinate and oversee coalition interoperability, including in the maritime domain (see also the 'Alliance burden-sharing and force interoperability' section in this report).

## Increasing cooperation in the underwater domain

There's scope and a need to increase allied cooperation in the underwater domain. The underwater space in the Western Pacific is becoming increasingly crowded. As the Chinese Navy invests in a modern nuclear and conventional submarine force, its submarine patrols will expand in range and frequency, including in waters close to Australia. Smaller powers in Southeast Asia also see this domain as yielding an 'asymmetric' advantage in possible conflicts with their neighbours or with much bigger powers, such as China. As a result, a number of countries have started to invest in modern submarines, although they'll face serious challenges in turning those platforms into actual capabilities. Moreover, sea mines will become of increasing concern for allied operations. China, for example,

regards offensive mining as integral to its sea denial strategy.<sup>9</sup> Other countries are also likely to see utility in what's a relatively cheap but lethal weapon, making the proliferation of mines in the South China Sea and elsewhere highly likely.<sup>10</sup>

The RAN is highly skilled in sophisticated submarine operations and is in a good position to make a valuable alliance contribution—although the number of its future submarines might be more modest than originally planned. But it'll be important for the allies to agree on how to make the best use of the new submarines in a coalition context.

The RAN is highly skilled in sophisticated submarine operations and is in a good position to make a valuable alliance contribution...

For example, should Australia consider submarine operations as far away as Northeast Asia? Or are we better placed to operate primarily in the eastern Indian Ocean, the southern end of the South China Sea and off Australia's coast? What's the best alliance model for Australia's future submarine, notwithstanding that it will also be used for independent operations?

New allied initiatives to strengthen coalition antisubmarine warfare (ASW) capabilities are also useful. For example, upgrading Australia's Cocos (Keeling) Islands for collaborative ASW and joint maritime intelligence, surveillance and reconnaissance (ISR) operations in the South China Sea and the Indian Ocean offers a good opportunity to do so (see also the 'The cyber, space and intelligence domains' section in this report). In this context, the ADF could provide highly capable P-8 maritime patrol aircraft and the MQ-4C version of the Triton. Because of their location, these facilities could also be used for trilateral maritime ISR activities with Indonesia.

Mine countermeasures (MCMs) are another area where the RAN can add significant value. Both the allies should seek to update and align their mine-warfare doctrines and procedures to meet the emerging sea mine threat. The RAN has significant expertise in this area and could contribute a scarce but highly valuable capability to coalition operations—provided it reinvests in the capability. Defence should press ahead with upgrading the MCM force through Project Sea 1778, which seeks to introduce a range of unmanned underwater systems. The 2015 Defence White Paper and the next Defence Capability Plan should also be clear about the future replacement of the minehunter capability. This is currently one task of the multi-role offshore combatant vessel envisaged in Project Sea 1180, but is that really the best MCM option, given that it's based on an unproven, multi-role design?<sup>11</sup> While the MCM capability attracts much less attention than major surface combatants or submarines, it could become an important and comparatively cost-effective niche capability for US coalition operations.

Increasing cooperation on unmanned underwater vehicles (UUVs) as part of allied defence science and technology would also make sense. UUVs are quickly becoming a more important undersea capability, including as platforms for reconnaissance, mining and countermining. The US Navy sees them as an integral part of operating in contested maritime environments, and they'll also become a critical component in the RAN's submarine operations.

## What's Australia's amphibious ambition?

US support has been critical for developing the ADF's nascent amphibious capability. With the first LHD commissioned, the next phase will focus on practical training for ship-to-shore missions, for which cooperation with the US Marine Corps will also be essential. But both sides need to think through the implications of realistic contingencies for future allied amphibious operations. What's Australia's ambition in this space? What could the ADF (and the Army in particular) realistically provide? How could the US Marines support the ADF in joint operations?



So far, the amphibious capability is planned for use in demanding humanitarian assistance and disaster relief missions and non-combatant evacuations—not amphibious assault operations. That the Abbott government has flagged the option of equipping the LHDs with short take-off, vertical landing combat aircraft points to new opportunities for amphibious cooperation in high-end operations. In any case, the government needs to provide guidance on Australia's future amphibious capability.

## Ballistic missile defence

As a recent ASPI paper noted, the arrival of the three AWDs could revive the debate about possible cooperation on sea-based, theatre ballistic missile defence, given that the ships will be equipped with the Aegis combat system.<sup>12</sup> In the face of the continued proliferation of short- and intermediate-range ballistic missiles in the Asia-Pacific region, protecting the RAN's future major surface combatants against this threat would make sense, particularly if a future government wants the option of sending the ships into a Northeast Asian theatre alongside the US ally (for example, in a crisis over the Korean Peninsula). One option is to equip the future frigates with a theatre ballistic missile defence capability to defend the fleet against short-range ballistic missiles, although the costs would have to be carefully considered against other investment priorities. Both sides should thus consider the circumstances in which a ballistic missile defence capability for Australia's future fleet of AWDs and frigates would make operational sense.

## What about home porting?

Finally, there's the issue of further investments in Australia's onshore infrastructure to support US submarines and warships. This includes the rotation of a US Marine Air-Ground Task Force in northern Australia and the possible home porting of US nuclear submarines and warships at HMAS Sterling naval base in Perth. Further upgrades of infrastructure in the north to better accommodate the task force should be relatively straightforward, but the question of forward deploying US naval assets at HMAS Sterling is more difficult. Some American analysts have raised the future option of forward basing a carrier strike group there to enhance power projection in the Indo-Pacific.<sup>13</sup> However, upgrading the base to host such a group would cost billions of dollars. Moreover, sensitive sovereignty and cost issues would need to be resolved, given that the Australian Government's policy for an American rotational presence is based on the formula of 'places, not bases'. At this point, it seems that political appetite on both sides to proceed with this option is rather low.

However, both sides could look into less dramatic options than hosting a carrier strike group. For example, arrangements to jointly upgrade HMAS Sterling to host more US nuclear submarines as well as smaller (littoral combat ship) and larger (Arleigh Burke class destroyer) surface combatants should be possible. This would take a couple of years and cost a significant amount, but would send a strong signal of Australian support for the US rebalance, facilitate even closer cooperation between the two navies, and provide the foundation for further upgrades if they're needed.

Of course, greater use of Australian naval facilities by the US Navy will raise the issue of future Australian governments' knowledge of and concurrence with American operational plans. In other words, would the government seek to place conditions on the employment of American warships forward deployed on Australian territory, or would it assume that in times of crisis in the Asia-Pacific their deployment by the US Government would always be in concert with Australia's strategic interests? Because the US alliance will operate in a more contested Asian maritime environment, finding answers to this question will be important.

# CHAPTER 3

## Alliance cooperation and land forces

**Andrew Davies**

At first glance, alliance land power looks to have a limited role in the Asia–Pacific and Indian Ocean theatres. Both regions are characterised by long distances and are threaded by important sea lines of communication, meaning that maritime power projection capabilities are at a premium. As well, the presence of substantial land forces in many Asian countries means that warlike activities involving boots on the ground will be deeply unappealing to Western powers. The experiences of Korea and Vietnam aren't something that anyone's in a hurry to revisit.

However, there are many valuable applications of land power short of high-intensity combat operations. In fact, because of the military and often political importance of land forces in many Asian countries, there's considerable scope for the use of allied land power in diplomatic and foreign policy initiatives. Cooperation and activities such as training and exercises can help build country-to-country relationships and improve governance through building increased military professionalism. As well, improving military capacity means that local forces could be better able to help in humanitarian and disaster relief operations.

As is the case with the US, Australia's land forces are coming out of a period of extended deployments. As operations wind down in Afghanistan, following those in Iraq, Timor-Leste and Solomon Islands, the Australian Army will be able to commit more resources to regional activities. Similarly, the US Army and Marine Corps are evaluating the scope for increased levels of activity across the region as part of the 'rebalance' activities under way. And many of the capabilities that the Australian Army aspires to or is acquiring are already in the American order of battle, which should provide opportunities for aligning training, doctrine, and command and control arrangements. Just as in the maritime and air domains, the interoperability of allied land forces would be advantageous in a wide range of circumstances.

As Australia develops its amphibious capability—soon to be substantially enhanced with the delivery of two LHDs—it makes sense to think about how that might work with or alongside the US Marine Corps. Leveraging the knowledge and experience of the marines will help the Australian Government sharpen its thinking about the roles and capabilities of its own amphibious forces.

US Army and Marine Corps activities within Pacific Command's (PACOM's) area of responsibility are coordinated in a single land domain cooperation framework. Significant additional American resources are available in theatre; in the past 12 months, land forces assigned to PACOM have increased from a strength of 70,000 personnel to 103,000 through the reassignment of forces from Washington state and Alaska. The new units bring with them substantial new assets, including an airborne capability, a Stryker-mounted cavalry brigade and Apache E attack helicopters. Most of the US Army's strike capability is now assigned to the Pacific. While the recent cuts to Pentagon budgets have had some impact on PACOM's resources, the cuts are smaller than elsewhere and have mainly affected the sizes of headquarters.

## Combined initiatives

Given the overlapping interests of the US and Australia in the Asia–Pacific region and the Indian Ocean, it makes sense to develop the ability to work as combined forces. But from an Australian point of view that can't be at the expense of the ability to mount independent operations. There are parts of those theatres where Australia's interests are more closely engaged—particularly what previous defence white papers have described as the 'inner arc'. As the Timor-Leste and Solomon Islands deployments have shown, Australia will sometimes be in a lead role and will have to sustain extended deployments from its own resources. So thinking about enhanced cooperation between US and Australian land forces should assume that they'll sometimes operate separately, with all that means for independent command and control and other capabilities. But they should also have the ability for combined planning and levels of interoperability that allow for combined operations in some circumstances.

The recent AUSMIN meeting agreed to further enhance the relationship between the special forces of both countries.

The recent AUSMIN meeting agreed to further enhance the relationship between the special forces of both countries. The experience of over a decade of working together in Afghanistan provides a good starting point, and there are many opportunities for regional cooperation (see the next section for some possible approaches). And, as noted above, it would make a lot of sense for Australia to develop its amphibious capability in a way that allows for cooperation with US Marine Corps force elements. The hosting of marines in northern Australia provides a natural opportunity for training and the development of combined planning activities. Local training venues can be used as laboratories for the development of combined doctrine (through exercises such as Talisman Sabre). As Australia's amphibious capability matures, integration with special forces capabilities could align with the arrangements between Special Operations Command, Pacific (SOCPAC) and US Marine Corps Pacific Command.

Enhanced cooperation could be facilitated by 'twinning' American and Australian land force units in arrangements that include exchange of leader programs, the sharing of techniques and procedures, and joint exercises and training. As well as special forces and amphibious units, twinning could be extended to the regular Australian and US armies, perhaps at the brigade level.

However, we'd need to make sure that such efforts didn't overwhelm Australia's forces and consume disproportionate time and resources. Australia has many missions for a small force and operates on a much smaller scale than US Pacific forces. Tight control over priorities will be required, and those activities that require specialised forces and platforms will need to be carefully thought through. There may be some cases in which Australia simply lacks the resources to participate on a useful scale—Australian capability tends to be flexible, but American expectations will need to be managed.

The Afghanistan experience points to one such mismatch between the two countries. In many instances, Australian forces in that theatre relied on enabling capabilities supplied by American or other NATO forces (such as battlefield airlift, air strike and indirect fire support). Australia has some capacity in those areas, but not on a scale comparable with American forces. The development of combined doctrine will need to take that disparity into account, and there'll need to be some thinking about the nature of operations that Australia can conduct unilaterally in a self-contained way, or in a combined situation operating with American force elements.

Similarly, we need to give some collective thought to war stocks and materiel reserves. The NATO operations against Libya in 2011 showed that it's easy for US allies to quickly run down their stocks of precision weapons and to exceed their sustainable rate of effort in even a medium-intensity operation. Australia could easily find itself

in a similar situation. In a combined operation, war stocks might not be easily replenished, as American forces would presumably also be calling on them. Planning assumptions will need to take into account the stocks held by Australia and what's available from other sources, such as the holdings of US Marine Corps forces in Australia.

## Regional initiatives

The purpose of increasing the ability for combined operations is to be able to contribute to increased regional security. The Asia–Pacific region offers many opportunities and challenges, ranging from the potential for high-intensity operations (such as on the Korean Peninsula) to capacity building in small Pacific island states. There are also opportunities to work with Southeast Asian countries to build security relations and help develop the professionalism and capacity of local military forces. Regular army and special forces resources freed up in the post-Afghanistan era can be turned to these 'phase zero' activities.

In the recent ASPI publication *A versatile force: the future of Australia's special operations capability*,<sup>14</sup> we looked at the potential for strengthening regional engagement through engagement with special operations forces (SOF) around the region. An expanded discussion can be found in that paper, but it's worth reiterating some key points here. While the focus in that work was on Australia's Special Operations Command (SOCOMD), similar considerations apply to engagement through regular forces:

... international engagement needs to be prioritised, given limited resources and because of Australia's strategic priorities, which remain aimed at stability in our immediate neighbourhood, i.e. the South Pacific and Southeast Asia. SOCOMD should seek to intensify collaboration with counterparts from Indonesia, Malaysia, Singapore and the Philippines. Strong ties with elements of Indonesia's SOF, such as KOPASSUS, are of singular importance.

Engagement on more traditional military roles is more sensitive, and engagement on the development of SOF capabilities even more so. Yet, as many of those countries aim to strengthen their capabilities in those areas, deeper engagement has the potential to provide high rewards ...

As well as 'traditional' military engagement, such as exercises, a focus on initiatives with a strong human development element (professionalisation, chaplaincy, integration of female soldiers, staff college exchanges and so on) will help build human capital, and thus capacity and stability, around the region.

Initiatives of this kind would be most useful if coordinated and deconflicted between Australia and the US. American efforts in the Asia–Pacific region, such as training and capacity building in the Philippines, provide some examples of what could be done.

As regional engagement matures, we could work towards a regional military training centre located in Australia. With US Marines (and potentially other force elements) on frequent rotation through Australia, there's potential to be able to offer multilateral training opportunities. While such an approach needn't be limited to special forces, that might be a useful place to start, building on conceptual work done by US Special Operations Command (USSOCOM) on building a special operations forces regional coordination centre. While that initiative hasn't been operationalised yet (and might not be, due to congressional concerns), a combined Australia–US training school might be more attractive to regional countries as an alliance effort.

There's obviously already some appetite for multilateral training opportunities, as shown when Australian and American forces joined a Chinese contingent for survival training earlier this year. That followed a trilateral exercise with Indonesia. Japan is building its own amphibious capability, and is another natural partner in future activities.



# CHAPTER 4

## Alliance cooperation and air power

**Andrew Davies**

Australia is building up significant air power. On the combat side, once the RAAF takes delivery of its F-35 Joint Strike Fighters, it will be able to field a formidable 'day one' air combat and strike capability. In fact, it's likely that Australia will be the only country other than the US able to bring to the fight a fifth-generation strike fighter, electronic warfare aircraft, tankers and airborne early warning and control (AEW&C) aircraft. Australia will be uniquely well set up to make substantial future contributions to coalition air-power operations in even the most demanding environments.

As well, Australia will soon have a tiered airlift capability, from strategic (C-17, C-130J and KC-30A aircraft) through to battlefield lift (C-27J and CH-47F Chinook). In the maritime domain, the RAAF will field the same state-of-the-art equipment as the US Navy when the P-8 Poseidon maritime patrol aircraft and MQ-4C Triton enter service.

As a result of the substantial investments that successive Australian governments have made—or will soon make—there's plenty of scope for increased cooperation between Australia and the US as far as air operations are concerned. In fact, the current situation is unprecedented in some ways, so it's worth taking time to look at past experiences to understand the opportunities about to present themselves.

### Lessons of the past

At various times, Australia's contributions to air operations alongside the US have been valuable—and valued. At other times, they've been a disappointment or worse. But each instance allows us to draw some conclusions about the best way to contribute in the future.

Australia's first air operations with the US were during the Pacific campaign in World War II. We began the war with equipment that wasn't up to speed and relied heavily on imports from the US and the UK. But both of those nations had their own priorities, so Australia started an emergency plan for the local design and production of combat aircraft. However, imports began to arrive in time for the RAAF to do some fine work in independent operations, especially in the defence of northern Australia during Japanese raids.

But in alliance operations the Australian contribution to the air campaign wasn't always especially helpful. As aviation historian Michael Claringbould observes, RAAF contributions to American operations in New Guinea—consisting as they did of aircraft types that were obsolete or that merely replicated already abundant American types—were counterproductive. Service politics in Canberra meant that the contribution was pushed onto a reluctant American command, which was compelled to accommodate it for alliance management reasons.<sup>15</sup>

So it's possible for an ally—especially a junior one—to be a nuisance rather than an asset if its forces aren't what the local commander needs. Balanced against that is the political pay-off in having allied support, and it can be a net positive if mere presence is sufficiently valuable. That wasn't the case in World War II because it was a war of survival, but in more discretionary operations the calculus can be different. Many of the smaller contributions to coalition operations in Iraq and Afghanistan can be filed under 'little or no operational benefit but politically valuable'.

Of course, it's better to make a valuable contribution to the politics *and* the operation, as Australia managed to do in subsequent wars. By 1945, the RAAF was the world's fourth largest air force and operated an inventory of capable aircraft flown and maintained by experienced personnel. The postwar Navy assembled a capable air arm, and both the RAAF and the RAN were significant frontline contributors to the UN mission in Korea. The RAAF later took its Canberra strike bombers to Vietnam and worked successfully with American tactical air units, flying more than 11,000 strike and ground support missions. The RAAF lost aircraft to enemy fire in Korea and in Vietnam, which was the last time that Australia contributed to core air missions in a hazardous environment.

Australian defence spending fell dramatically after the 1969 announcement of the 'Guam Doctrine' and the end of the Vietnam War. By the 1990s, our defence forces generally were suffering from a scarcity of resources, and the inevitable result was a hollowing out of capabilities. The ADF played no direct combat role in the 1991 Gulf War.

Australia's air-power capabilities proved disappointing to the US when a request was made for the participation of Australian F-111 strike aircraft for Operation Desert Fox (a four-day bombing campaign against Iraqi targets) in 1998. At the time, the aircraft lacked critical electronic warfare equipment and weren't fit for purpose in what was a dangerous—if hardly state-of-the-art—air defence environment. Similarly, the Australian contribution to the air campaign in the 2003 Iraq War came only after Iraq's air defence system had been effectively eliminated by US forces.

Together, those examples show that Australia was a valuable contributor to air operations when it had capable and well-maintained equipment that allowed the RAAF to operate effectively alongside American forces. At other times, we've been an ineffective but appreciated flag flyer. And in Desert Fox we were a disappointment.

## Future contributions—strike fighter operations

Today, after a decade (and many billions of dollars) of investment into air-combat capability and with more to come, the ADF is well placed to be a real contributor to allied air operations, provided that we resource the training and support arrangements for our aircraft properly and keep them at the capability of their American counterparts. And, consistent with our post-Guam responsibilities, we could defend Australian airspace independently. In the worst case scenario of a theatre-wide conflict, we could thus negate the need for direct American assistance, thereby allowing American forces to operate elsewhere, as was the case in 1942–43.

But we need to keep the World War II example in mind when contemplating a possible Australian contribution to a more distant operation being run by the US. Deploying into a shared theatre with capabilities that are second rate or that represent 'more of the same' from an American point of view will at best be politically valuable but militarily negligible. At worst—if the stakes are high enough—it could again be an unwanted operational complication.

At one level, given the investments that have been made, Australia can avoid the error of arriving with obsolete or inadequate capabilities by keeping our essentially brand new fleets of combat aircraft well maintained and updated and our personnel well trained in realistic American operational procedures. However, there'll still be an issue of capacity. The US won't lack strike fighters in the foreseeable future—it'll have 600+ Super Hornets and possibly 1,000 F-35s by the first half of the next decade. An Australian contribution of a few dozen more (at most) could complicate American command and control while adding little extra combat capability. And we should allow for the possibility that alliance politics mightn't let Washington say 'No', even if our contribution isn't especially needed.

Being a solid performer in modern air operations requires more than just having the right tactical aircraft—it also requires having adequate stocks of advanced weaponry and the key enablers in place, both of which are resource intensive. In Korea and Vietnam, the supply of iron bombs and ammunition was rarely an issue, but modern precision weapons can't be manufactured as quickly or in the numbers required for a sustained operation. And persistence over the battlefield today is maintained mainly through air-to-air refuelling, rather than by having large numbers of aircraft in theatre. (The rising unit cost of aircraft has seen to that.) For survivability in theatres where advanced air defences are likely to be encountered, persistence has to be supported by AEW&C and electronic warfare assets.

Pulling enough of those elements together to support an extended campaign is difficult and expensive. The NATO air campaign against Libya in 2011 is a case in point. While European aircraft flew the lion's share of strike sorties, the campaign revealed as much about the shortcomings of European air power as about its strengths:

... the war in Libya underscored the continued military shortcomings of NATO's European members. *Unified Protector* could not have been executed without the US providing a significant portion of the deployed capacity. The preponderance of the initial salvo that disabled Gadhafi's air defense came from US forces, and afterwards US aircraft were relied on heavily for intelligence gathering, surveillance, air-to-air refueling, electronic jamming and the suppression of enemy air defenses. European allies soon ran out of precision-guided munitions and other key wartime consumables and had to turn to U.S. inventories for replenishment.<sup>16</sup>

Given our small inventory of air-to-air refuellers (6), AEW&C (6) and electronic warfare aircraft (12), it's hard to see how we could sustain operations for an extended period or over a wide area. (As an aside, the lack of those platforms will be the most acutely felt shortcoming if Australia faces a serious air threat to its immediate environs in the future.)

Pulling these observations together, Australia's ability to make the sort of contribution to alliance air power that it did in the past—predominantly through the deployment of tactical aircraft—is quite limited. It'd work in a conflict where spare American logistic and enabling capacity is available, but would probably come up short in a higher intensity, less discretionary campaign.

A better strategy in that case is being able to contribute high-value 'force multiplier' capabilities instead. Even the extensive American forces tend to oversubscribe the availability of electronic-warfare support, AEW&C and air-to-air refuelling assets. The RAAF is well placed to make a contribution, with small but capable fleets of all those types.

It remains to be seen whether the government will opt for further investment in alliance-specific capabilities.

Even small numbers of those platforms could make a substantial contribution, and a few more tankers or AEW&C aircraft are likely to be more useful in alliance operations than strike fighters. It remains to be seen whether the government will opt for further investment in alliance-specific capabilities. But, if it does, less glamorous but always valuable air-combat support assets would be a good place to start.

## Future contributions—other operations

Air power isn't all about strike and air combat, and there are other contributions to alliance operations that make sense for Australia, including airlift, maritime patrol and specialised activities such as maritime strike and antisubmarine warfare (ASW). Australia's geography makes all of those roles important for our own defence needs,

and developing high-level capabilities in them will serve the dual purposes of self-reliance and being able to make significant alliance contributions.

The materiel solutions chosen for Australia's future maritime patrol capability—the P-8 Poseidon and MQ-4C Triton—are also the US Navy's chosen broad area maritime surveillance platforms. High levels of interoperability are thus possible, and data sharing and a cooperative effort to build a shared maritime picture are a natural development path. (Other capabilities, such as cyber and space systems, can also contribute to a shared ISR picture; see 'The cyber, space and intelligence domains' section in this report.)

ASW capability in Western militaries declined in the quarter-century after the end of the Cold War, as the threat posed by Soviet submarines receded into the past. But submarine capabilities are now increasing around the Indo-Pacific and there's a strategic need to be able to counter potential threats. In particular, Chinese submarine capability in the form of both diesel-electric and nuclear powered boats is advancing rapidly.

Australia's ASW capability is being rebuilt. The three new DDGs (air warfare destroyers) will have advanced sonar systems, and the future frigates are planned to be advanced ASW platforms. The Navy is now taking delivery of 24 MH-60R naval combat helicopters, which will provide ASW detection and engagement capabilities. These fleet capabilities will be complementary to the maritime patrol capabilities provided by the Poseidons and Tritons.

Again, numbers are an issue, as only eight Poseidon and seven Triton aircraft are currently on order. However, by networking these aircraft into a larger US capability, they'll be able to provide inputs into a wide area picture. There's also the possibility of working with other nations in pulling together a shared maritime picture, or in pursuing collaborative ASW (such as tracking submarines across wide areas). For example, India will also operate P-8s, which might open some possibilities in the Indian Ocean region, and Japan is a potential partner in North Asia.

## Long-range strike

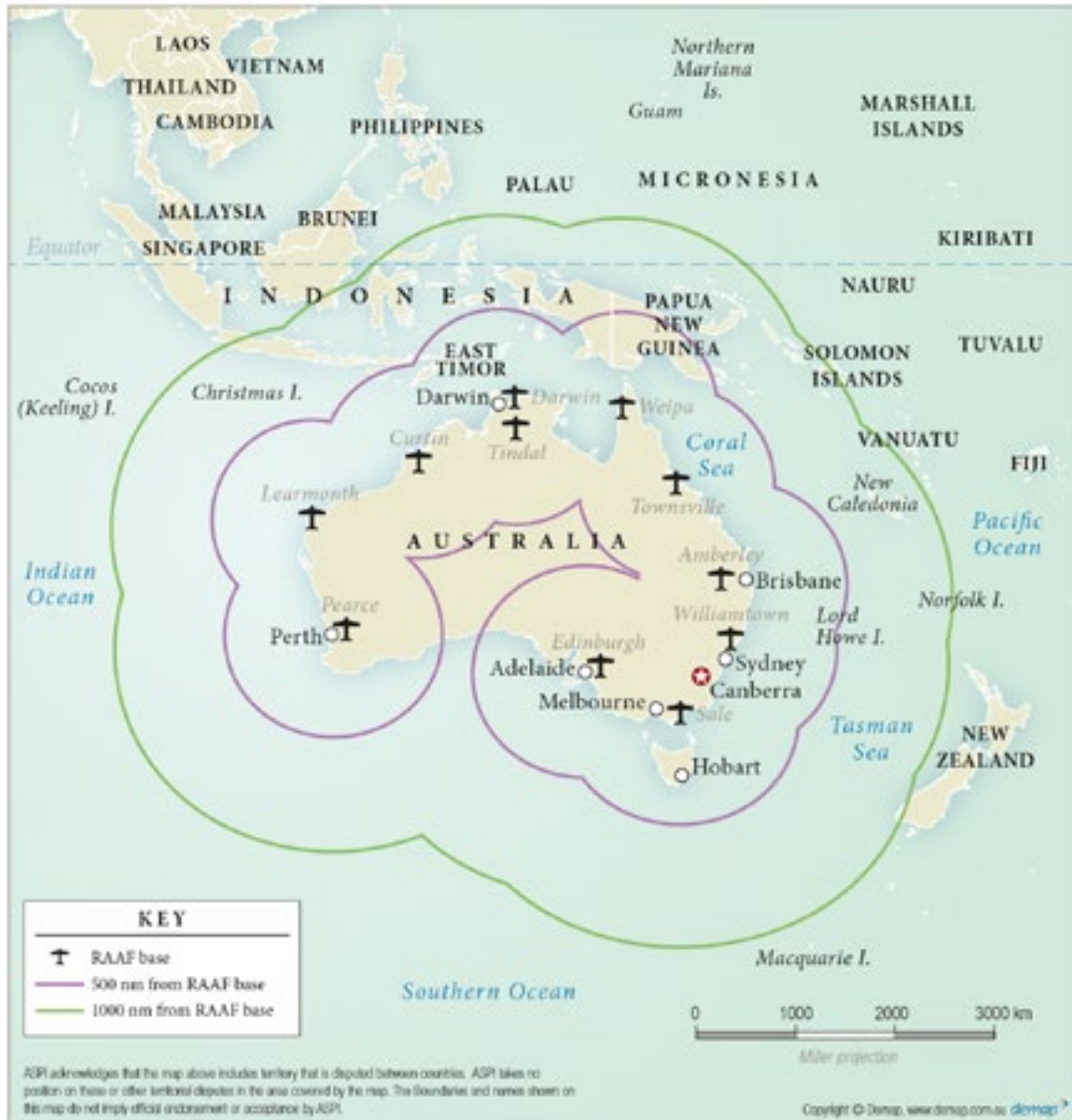
There's one potential future American aerospace development that might usefully engage Australia's force structure developers. Australia was a customer for the F-111 in no small part because of that aircraft's reach. The ADF has to be able to strike over long distances if it's to have a strategic deterrent capability, so range is a highly desirable characteristic for its platforms. That's why the 2009 Defence White Paper included long-range submarines and large frigates with land-attack cruise missile capability. But submarines are slow to deploy and re-arm, and surface vessels will be at risk in future conflicts as potent anti-shipping weapons proliferate. And the F-35 is a tactical-range aircraft, as capable as it will be. (Figure 1 shows the unrefuelled and one-refuelling range of the F-35 from Australia.)

While it's tightly held at the moment, a future long-range bomber is under development for the US Air Force. If it's possible to share in some of the development, or at least the end product, Australia would be a natural customer. While such a step would have seemed implausible once, being the only country to acquire a dedicated American electronic warfare aircraft (the Growler) shows that Australia can be a trusted recipient of sensitive American equipment. The capability would complement Australia's geography and would boost the total allied 'throw weight' for strike operations in the theatre. The first step would be for Australia to sound out the feasibility of collaboration.



Even if that's not possible, design decisions made now could affect the exportability of the platform later. As is discussed in the 'Alliance burden-sharing and force interoperability' section of this report, getting a more robust security contribution from allies and partners will be easier if American restrictions on top-end capabilities are at least partially relaxed.

Figure 1: F-35A range from Australian bases unrefuelled (purple) and with one air-to-air refuelling (green)



# CHAPTER 5

## The cyber, space and intelligence domains

**Daniel Nichola**

The US–Australia alliance promotes regional and global security while advancing both countries’ strategic interests. In light of the changing military balance in the Western Pacific, it makes sense for Australia to pursue new areas of cooperation with its US ally—and to strengthen existing areas of alliance cooperation—to support the regional position of the US. A recent focus of the alliance has been enhanced cooperation in the cyber, space and intelligence domains. Coordinated investment, expanded information sharing and consistent messaging in these domains will help to meet emerging security challenges facing both the US and Australia.

### Coordinated investment

Both countries would benefit from further coordinating their investments in cyber, space and intelligence capabilities. Space policy coordination can build on the 2010 Space Situational Awareness Partnership and the 2013 Space Situational Awareness Sharing Memorandum of Understanding.<sup>17</sup> Those documents provide for jointly establishing and operating space situational awareness facilities in Australia, and for improved information sharing in relation to situational and technical data. As highlighted at the 2013 AUSMIN consultations, both countries are pursuing ways to leverage Australia’s space surveillance potential along these lines. An agreement has been signed for the relocation of an advanced US space surveillance telescope to Western Australia, to be jointly operated from 2016 to increase southern hemisphere coverage of space objects.<sup>18</sup> There’s also a joint commitment to relocate a US C-Band space surveillance radar to Western Australia later this year.<sup>19</sup> It will be the first low earth orbit space surveillance network sensor in the southern hemisphere, providing improved positional accuracies and predictions.

In an era of fiscal constraint, Australia and the US should further coordinate their space capability investment for combined benefit. The model by which Australia leveraged American investment in the US Wideband Global System of military satellites by buying an additional satellite—and thus increasing the network capacity for both countries—is one that could be employed in other areas. The joint construction and use of a new ground station near Geraldton in Western Australia provides opportunities for greater partnership in this regard.<sup>20</sup> The joint establishment of an installation in Australia as part of the US S-Band Space Fence program should also be considered. Joint initiatives along these lines enhance the US global space surveillance network and strengthen Australia’s space situational awareness and mission assurance capability.

The US and Australia are already working to strengthen cooperation in the cyber domain, including on cyber defence and cybersecurity incident response, but the scale of the cyber threat justifies further cooperative efforts. The 2011 Joint Statement on Cyberspace—using ANZUS-style language—states that the US and Australia will consult and determine appropriate action in the event of a cyberattack that threatens the territorial integrity, political independence or security of either.<sup>21</sup> This statement provides the foundation for establishing robust

bilateral mechanisms to discuss cybersecurity issues and coordinate cyber policy but stops short of providing an operational framework. Alliance efforts in this domain could focus on joint assessments of the cyber threat, commonality of doctrine for offensive and defensive cyber operations, and delineation between cyber and electronic warfare capabilities.

In the intelligence domain more broadly, US–Australia cooperation is already strong, but some areas require focused and coordinated investment. In the wake of recent revelations from Edward Snowden, resources are required to replace compromised sources and methods in the area of signals intelligence. Investment is also required to develop new cryptanalytic and data protection methods, and to devise new analytical approaches for exploiting metadata, so-called ‘big data’ and ever-growing amounts of open source material. US and Australian security would also benefit from enhanced cooperation in vetting procedures and internal security monitoring, as well as increased coordination in counterespionage efforts.

## Expanded information sharing

Both the US and Australia would benefit from expanding their information sharing. In particular, the surveillance and reconnaissance of broad areas remains a challenging task. Pooling assets and agreeing on a division of labour can pay off for both parties. A joint US–Australia maritime domain awareness picture, especially in the Indian Ocean, Southeast Asia and the South Pacific, means that both country’s assets can be used more efficiently. It will become technically easier to implement a shared information architecture as Australia moves towards a maritime surveillance capability suite built around US platforms (P-8 maritime patrol aircraft and MQ-4C drones) and adds other advanced ISR platforms, such as the F-35 Joint Strike Fighter, to its inventory.

Geography could also facilitate a combined approach to ISR. The use of the Cocos (Keeling) Islands for maritime air patrol and surveillance activities by Australian and American assets is one such possibility. Australia’s 2012 Force Posture Review recommended upgrading those airfield facilities to support unrestricted P-8 and UAV operations.<sup>22</sup> Given the airfield’s position in the Indian Ocean proximate to Southeast Asia, its joint development and use would provide a valuable staging post for ISR operations.

A combined approach to ISR could be extended to other regional partners, perhaps with shared data feeds at an appropriate level of classification. Partner states could contribute ISR assets and data in return for a more comprehensive shared operating picture. This would build regional capacity for maritime situational awareness by creating a common and more complete intelligence picture. That could facilitate coalition activity in the Western Pacific and also be a deterrent to hostile action. It would also have the benefit of helping to allay concerns of regional countries about a greater US presence in the region, and about Australia’s motivations. For example, any greater use of the Cocos (Keeling) Islands could be complemented by a partnership arrangement with Indonesia, which might involve information and data sharing and flight access to the upgraded airfield.

## Consistent messaging

Both the US and Australia would benefit from promoting a consistent and persuasive narrative on cyber, space and intelligence cooperation. In the wake of the Snowden revelations, both countries need to make the case publicly for the importance of intelligence collection and for the necessary secrecy that accompanies some intelligence activities. Canberra and Washington need to be up front about the role of intelligence in defence and security policy, and both governments need to reassure their peoples that current intelligence efforts are lawful, reasonable and necessary. Both countries also need to rebuild the confidence of regional nations after some of the diplomatic fallout from the Snowden affair.

In Australia, the ANZUS alliance enjoys broad support from the general population. But the practical ways in which the alliance is operationalised aren’t always well understood by the public—and a minority of Australians sometimes work against it because of their opposition to the alliance, American operational activities, or both.

The Australian Government needs to publicly restate the case for the joint facilities by clearly outlining the security benefits for Australia from cyber, space and intelligence cooperation with the US. Consistent and compelling messaging in relation to these domains would go a long way in ensuring continued popular support for US–Australia alliance cooperation.

....Australia and the US should make clear that their strategic interests in cyberspace and space are shared by most other nations using the global commons.

Consistent messaging could also serve broader strategic goals. To prevent destabilising action and miscalculation, Australia and the US should make clear that their strategic interests in cyberspace and space are shared by most other nations using the global commons. In particular, both countries should build on the 2010 Joint Statement on Space Security by working closely to pursue global transparency and confidence building measures,<sup>23</sup> including finalising an International Code of Conduct for Outer Space Activities to help strengthen the long-term sustainability, stability, safety and security of space.

The Five Eyes intelligence partnership (comprising the US, Australia, the UK, Canada and New Zealand) could assist these efforts. With these intelligence partners, Australia and the US should consider developing a Five Eyes working group to help make the case publicly for the importance of intelligence activities. The group could also promote space and cyberspace as global commons, working with other international partners on common understandings and norms of responsible state behaviour. These efforts should be aimed at reclaiming some of the moral ground and public confidence lost in the fallout from the Snowden revelations.

US–Australia cooperation in the cyber, space and intelligence domains advances both countries' security and wider interests. But tight budgets, shifting strategic relativities and a more contested security environment require enhanced alliance cooperation. Coordinated investment, expanded information sharing and consistent messaging in these domains will help to manage those challenges.



# CHAPTER 6

## Alliance burden-sharing and force interoperability

**Andrew Davies**

In a more contested and challenging region, the ability of the military forces of the US and its allies to work together will only increase in importance. The US's and Australia's respective interests, responsibilities and expectations will call for enhanced levels of interoperability, not just on a bilateral basis, but for more complex and broader coalition operations.

It remains to be seen how the American 'rebalance' in the Asia-Pacific region will evolve, what form the associated military strategy will take and what part allies and partners will be expected to play. One possibility is that Australia will be asked (or will volunteer) to take primary responsibility for security in its immediate region, freeing up US forces for operations elsewhere. Alternatively, the forces of both countries, along with others, could operate alongside each other. Either way, high levels of interoperability would allow for pooled resourcing and the dynamic allocation of responsibility, as well as providing a surge capability.

Regardless of any such arrangements, Australia will always have to be able to mount independent operations. Apart from that being a sovereign requirement, the US could have higher priorities elsewhere in the event of a regional crisis that engages Australia's interests. While moving to greater interoperability could come at the cost of self-reliance, in practice there's not too much to worry about. Crises in the South Pacific or Australia's immediate neighbourhood have, at least for the past 20 years, been of a sort in which light infantry forces and sea and air lift capability are adequate. There's no danger of interoperability having a negative impact on those capabilities. And for high-intensity operations where top-end ADF capabilities are required, Australia's already deeply dependent on US weapon, communication and sensor systems. Being able to use them seamlessly with US forces can only increase Australian capability.

### Where can interoperability be further developed?

While there are several specific interoperability initiatives that could be pursued in the near term, there's also value in looking at governance mechanisms. Interoperability currently comes about in a number of ways, with various degrees of coordination and oversight; discussions are held at the strategic level, within acquisition organisations and among the military services responsible for raising, training and equipping operational forces. But engagement and coordinating activity is mostly managed by personnel in positions with frequent turnover. As a result, there's not always a high degree of coordination and coherence.

A more formal bilateral (or multilateral, where appropriate) governance structure for interoperability would help ensure a smoother path and could also help align doctrine, logistics and operating procedures. We don't need more process, but we'd benefit from a strategic and mutually agreed plan. A better framework could simultaneously

baseline assumptions and objectives at all levels (strategic, operational and acquisition) and identify impediments to interoperability.

One way to think about interoperability is to break down military capability into its components. In ADF doctrine, there are eight ‘fundamental inputs to capability’:

- command and management
- organisation
- major systems
- personnel
- supplies
- support
- facilities
- collective training.

The US military has a similar but not identical construct, and the breakdown itself isn’t crucial. But this list allows us to identify specific areas where interoperability can be further developed. Of the eight, the most relevant for the effectiveness of combined operations are command and organisation structures (including doctrine); major systems (platforms such as ships, submarines and aircraft, as well as communications and command and control systems); personnel (particularly in relation to exchanges and cross-assignments); facilities (the American use of Australian facilities is a good example); and collective training. The supplies, support and facilities factors also offer opportunities for efficiencies.

Opportunities exist for higher level alignment in command and organisation. Natural disasters in the region will happen with little warning, and effective responses need to be multilateral, with effective command and control structures. The nucleus could be a US–Australia combined and joint headquarters, maintained remotely with designated assignments similar to the national headquarters structure that currently exists within the US Pacific Command. Combined maritime, air and land component headquarters could follow the same scheme. Training and qualification could be accomplished remotely, and the headquarters could be activated for training, exercises and contingencies. The operational experience would be a worthwhile developmental experience for assigned personnel, while providing a rapid-response command and control organisation for the region.

Similarly, the commonality of logistics for increasingly common systems and platforms offers more opportunities for efficiency. Shared supply chains and support personnel able to move between the two forces would greatly facilitate combined operations.

The ability for both militaries to work closely with each other (and other partners) and exchange information in near real time would also benefit operational activities. For example, having a network of platforms with compatible systems and a shared doctrine among operators would make ASW capabilities more effective in a coalition context. And ASW proficiency is increasingly a priority as submarines of advanced capability proliferate in the Pacific and Indian oceans. The land operation focus over the past decade or more has eroded ASW proficiency in parts of the force not routinely engaged in the mission. That must be remedied. Effective ASW demands thorough tactical, technical and system proficiency, but remains a blend of art and science. Training exercises are useful, but a combined centre or associated centres of ASW excellence can help develop the experience that lies at the heart of the art of ASW. Investments in P-8 aircraft, new shipboard ASW systems and submarines will be enhanced by such an approach and will make combined ASW operations much more effective. Similarly, air warfare, air defence and potentially missile defence training and education could adopt a combined approach.

The complexity of amphibious operations is often underestimated, and this area provides further opportunities for interoperability. The US Navy and Marine Corps are focusing on expanding and enhancing amphibious expertise. As

Australia brings online a significant amphibious capability, a common approach to training and the integration of systems will deliver significant benefits.

More broadly, commonality in training must be a priority. As discussed in the ‘Alliance cooperation and land forces’ and ‘The maritime domain’ sections of this report, robust ground and special forces training should continue to build on recent experience, and there’s plenty of scope for combined amphibious capability development. Training venues in both countries should be configured for units to be routinely accommodated, along with facilities and pre-positioned equipment sets.

The joint use of training centres should also be a focus. For example, the Woomera Test Range in South Australia is remote, very large and electromagnetically quiet, thus offering a great opportunity to test systems and develop doctrine to take advantage of the capabilities of platforms such as the F-35 Joint Strike Fighter. Other partner nations could participate, thus helping to build interoperability between air forces. Habitual interaction can also keep modelling, simulation, training and operational networks aligned, and combined technical, maintenance and support arrangements can yield efficiencies and savings. Agreements on the use of maintenance and rework facilities for rotated and visiting American forces would help achieve higher levels of readiness and efficiency. However, this will be difficult for the US because changes will be required to legislation and policy to remove constraints on overseas maintenance activity.

More could be done in relation to personnel interaction—today’s approach is one of exchanges, in a one-for-one assignment policy. Current requirements normally require full-tour lengths because of the relocation, housing and administrative support costs, but a more flexible process that isn’t constrained by a one-for-one formula would be preferable. Shorter periods of assignment would enable greater focus on more specific areas of interest and multiply the number of personal relationships—a significant return for a relatively small budget impact.

## Building interoperability

Despite a somewhat haphazard approach to developing interoperability, over the past decade Australia has adopted an acquisition strategy that’s yielding dividends for interoperability. But there’s been a downside in the form of pressure on local industry, and some protectionist thinking has reared its head in the public discussion of defence industry in Australia. This has the potential to turn back the clock on some promising developments, so policy clarity is needed.

There’s no doubt that these are tough times for Australian defence industry. Billions of dollars in major ADF equipment acquisitions have gone offshore and local industry revenues have fallen. But, as in many crises, there are also opportunities both for local industry and for agile policymakers. The outcome could be increased interoperability and a local defence industry that’s made more robust by developing its links with the multinational corporations that dominate the global market today. As well, all ADF equipment ultimately has to be supported in Australia, regardless of its origin.

Approaching defence acquisition as a zero-sum game between local and international suppliers is the wrong way to think about the problem. Pursuing a policy of favouring Australian suppliers will drive up costs, slow down acquisition and have little long-term benefit for Australian industry—the global trend of consolidations and mergers of companies into a smaller number of large multinational firms is being driven by fundamental factors that no local Australian policy can counteract. The net result of trying to continue any policy of ‘buy Australian’ will be an increasing cost premium as local economies of scale slip further behind those of the remaining big suppliers.

Instead, a better approach is to encourage Australian suppliers to be the local parts of a global supply chain as the local ‘footprints’ of multinationals, suppliers to multinational firms, or both. This is already the model being pursued by Boeing and Lockheed Martin, among others. Australian companies have won contracts supplying parts to both firms, effectively gaining greater access to much larger markets than they could achieve using their own resources.

The ‘local partner’ approach, far from stifling Australian innovation, provides a mechanism for it to be sustained—or grown—as well as making it available to a much wider customer base.

Some American policies are inhibiting interoperability, and the two governments could usefully examine the implications of further opening up defence trade between our countries. There have been noises out of Washington about partners and allies stepping up and playing a greater role in strategies such as the AirSea Battle concept in the Western Pacific. Those trends might be further intensified if US defence spending takes the hit that potentially lies in front of it, or if strategic competition in the region intensifies. If that happens, it would be in the interests of all concerned if top-end US systems were developed with the expectation that they’ll be exportable to close allies—even if to no-one else. Australia’s already the only export customer for the EA-18G electronic warfare aircraft—the first time such a platform has been exported by the US. And, as explained in the ‘Alliance cooperation and air power’ section of this report, future long-range strike platforms developed for American purposes would find a natural customer in Australia.

However, unless selected top-end capabilities are designed with export in mind, it might prove prohibitively difficult to adapt them later, even if there’s a compelling strategic reason. While it’s natural for the US to wish to retain its capability edge, it mightn’t have the luxury of withholding it from close allies if it wants to have partners capable of operating in the most contested environments. And there would be economies of scale to be had by increasing production numbers for partners. The F-22 Raptor, for example, was ultimately produced in small numbers for the US Air Force because of its high unit cost.

Finally, American protectionist measures such as the Jones Act have distorted the marketplace for defence materiel. While it’s probably not realistic to expect all barriers to be removed, there’ll doubtless be further opportunities down the track, and both sides should be open to them—resisting local political influences if necessary.

*This section draws upon papers on alliance interoperability by Andrew Davies (ASPI) and Admiral Gary Roughead (US Navy, retired) produced for the security thread of the Alliance 21 Project run by the United States Studies Centre at the University of Sydney in 2012–13. The views in the last subsection are solely those of Andrew Davies.*

# APPENDIX

## Honolulu dialogue participants

The Hon Kim Beazley AC—Australian Ambassador to the United States of America

General Vincent K Brooks—Commanding General, US Army Pacific

Major General Richard ‘Rick’ M Burr—Deputy Commanding General (Operations), US Army Pacific

Dr Patrick M Cronin—Senior Director of the Asia–Pacific Security Program, Center for a New American Security

Dr Janine Davidson—Senior Fellow for Defense Policy, Council on Foreign Relations

Dr Andrew Davies—Senior Analyst for Defence Capability, ASPI

Mr Scott Dewar—Australian Consul-General in Honolulu

Admiral Thomas B Fargo (ret)—former Commander of US Pacific Command

Mr Brad Glosserman—Executive Director, Pacific Forum CSIS (Center for Strategic and International Studies)

Air Marshal John Harvey AM (ret)—former Chief of the Capability Development Group

Mr David Irvine—Director-General of Security, Australian Security Intelligence Organisation

Mr Peter Jennings PSM—Executive Director, ASPI

Lieutenant General Dan Leaf (ret)—Director of the Asia–Pacific Center for Security Studies

Mr Michael J Lostumbo—Director of the Center for Asia Pacific Policy, RAND Corporation

Dr Thomas Mahnken—Professor of Strategy, Jerome Levy Chair of Economic Geography and National Security, US Naval War College

Major General Fergus ‘Gus’ McLachlan—Head Joint Capability Coordination

Mr Daniel Nichola—Research Analyst, ASPI

Dr Ben Schreer—Senior Analyst for Defence Strategy, ASPI

Dr Dov S Zakheim—Vice-Chairman, Foreign Policy Research Institute





Participants at the Honolulu dialogue

# NOTES

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# ACRONYMS AND ABBREVIATIONS

ADF	Australian Defence Force
AEW&C	airborne early warning and control
ASEAN	Association of Southeast Asian Nations
ASW	antisubmarine warfare
AUSMIN	Australia–US Ministerial Meeting
AWD	air warfare destroyer
ISR	intelligence, surveillance and reconnaissance
LHD	landing helicopter dock
MCM	mine countermeasures
NATO	North Atlantic Treaty Organization
PACOM	US Pacific Command
RAAF	Royal Australian Air Force
RAN	Royal Australian Navy
UK	United Kingdom
UN	United Nations
UUV	unmanned underwater vehicle

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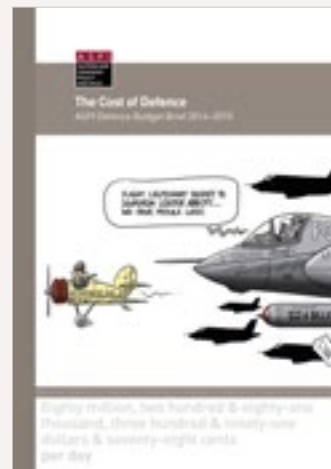
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## Expanding alliance

### ANZUS cooperation and Asia–Pacific security

Nearing a sprightly 65 years of age, the alliance between Australia and the US, underpinned by the formal ANZUS Treaty of 1951, continues to be a central part of Australian defence and security thinking and an instrument of American policy in the Asia–Pacific. But Asia’s strategic outlook has changed almost unrecognisably from the 1950s to today. Economic and financial systems, the sources of global wealth and power, military and communications technology and even the political structures of Asia–Pacific countries have all transformed dramatically since the end of World War II.

How is it that an alliance conceived as a bulwark against a resurgence of Japanese militarism and which cut its military and intelligence teeth in the Cold War is still relevant to today’s strategic concerns? The answer is partly—and importantly—that the core values of the ANZUS members are strongly aligned, and successive Australian governments and American presidential administrations have seen great value in working with like-minded partners to ensure Asia–Pacific security. That’s seen ANZUS adapt to strategic change several times during its existence. Far from becoming a historical curiosity, today it’s not just relevant, but of greater importance than has been the case in the past few decades. Everything old is new again in the ‘Asian century’.

To explore new ideas on how to strengthen the US–Australia alliance, ASPI conducted a high-level strategic dialogue in Honolulu in July this year. The ‘Honolulu dialogue’ brought together a group of distinguished policymakers, military officials and academics from both countries with deep expertise in the alliance relationship.

The aim of the dialogue was to elicit lateral thinking about the alliance at a time when strategic, economic and political circumstances bring fresh challenges to bilateral cooperation. Discussions canvassed the future strategic environment; the forthcoming Australian Defence White Paper; budget, sovereignty and expectation risks; and cooperation in the maritime, land, air, cyber, space and intelligence domains.

A key purpose of the Honolulu dialogue was to help ASPI develop policy recommendations on the alliance relationship for government. This report is the product of those discussions.